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February 15, 2017

Honorable Judge Dee D. Drell
Chief United States District Judge
515 Murray St., Suite 233
Alexandria, Louisiana 71301

RE: United States v. Wood Group PSN
Docket No. 6:16-cr-00145 & 6:16-cr-00192

Dear Judge Drell:

As you know, the sentencing in the above-referenced matters is set to take place before Your Honor on February 23, 2017, in Lafayette, Louisiana. As part of the Rule 11(c)(1)(C) Plea Agreement entered into by the parties, and accepted by this Court, Wood Group PSN ("WGPSN") has agreed to pay fine amounts, as well as amounts toward community service as part of their probation.

In the WDLA matter, Docket No. 6:16-cr-00145, WGPSN has agreed to pay a fine amount of $7,000,000, with a community service amount of $500,000, as described in the Plea Agreement. As part of the community service plan, the agencies involved, the Environmental Protection Agency and the Department of Interior, have proposed organizations and projects to receive the community service funds based on geographical location, nexus to the activity and specific areas involved. In the WDLA matter, the agencies have recommended the following community service payments:

$300,000 to the West Cove Living Shoreline Project (see attached);

$100,00 to the Barataria-Terrebonne National Estuary Program (WDLA projects, see attached);

$50,000 to the Nature Conservancy (WDLA projects, see attached); and

$50,000 to the Southern Environmental Enforcement Network (SEEN).

The community service recommendations have been presented to WGPSN, and they have no objection to these recommendations.

In the EDLA matter, Docket No. 6:16-cr-00192, WGPSN has agreed to pay a fine in the amount of $1,800,000, with a community service payment of $200,000 to the National Marine Sanctuary Foundation, as further described in the Plea Agreement.

We respectfully present these recommendations for your review and adoption has part of WGPSN's sentence, and we will do so orally in court during the sentencing proceedings. If you have any questions, or need any additional information, please do not hesitate to contact us.

Very truly yours,

STEPHANIE A. FINLEY
United States Attorney

By: ______________________________
MYERS P. NAMIE
Assistant United States Attorney

MPN:jb
Enclosures

cc: Nadira Clark, Counsel for Wood Group PSN

Project Title: West Cove Living Shoreline Protection Project

Location: West Cove of Calcasieu Lake adjacent to Sabine National Wildlife Refuge (NWR) in Cameron Parish, Louisiana

Project Point of Contact: Billy Leonard, Wildlife Biologist/Oil and Gas Specialist, Southwest Louisiana National Wildlife Refuge Complex. Phone: 337-452-9169

Summary: This project proposes to construct 625 linear feet of oyster reef structures (historically present in the area) to provide wave energy abatement and protect rapidly eroding shoreline and adjacent coastal marsh while creating fisheries habitat and enhancing overall estuarine water quality once the reefs are established. This reduction of erosion potential will also protect coastal infrastructure such as Hwy 27, a major hurricane evacuation route in the area.

Background and Need for the Project:
Sabine NWR is the largest coastal marsh refuge on the Gulf of Mexico. The refuge is a key nursery for estuarine-dependent and marine species and an "International Important Bird Area" for nesting and wintering migratory birds.

The West Cove shoreline of Calcasieu Lake has been hit hard by four named storms and is severely eroding at a rate of 30-35 feet/year for the past 30 years. Continued erosion will cause extreme marsh loss in Sabine NWR and potentially threaten Highway 27, which is a major storm evacuation route. Additionally, Calcasieu Lake is both an important public seeding ground that supports oyster harvest, and is popular for recreational angling.

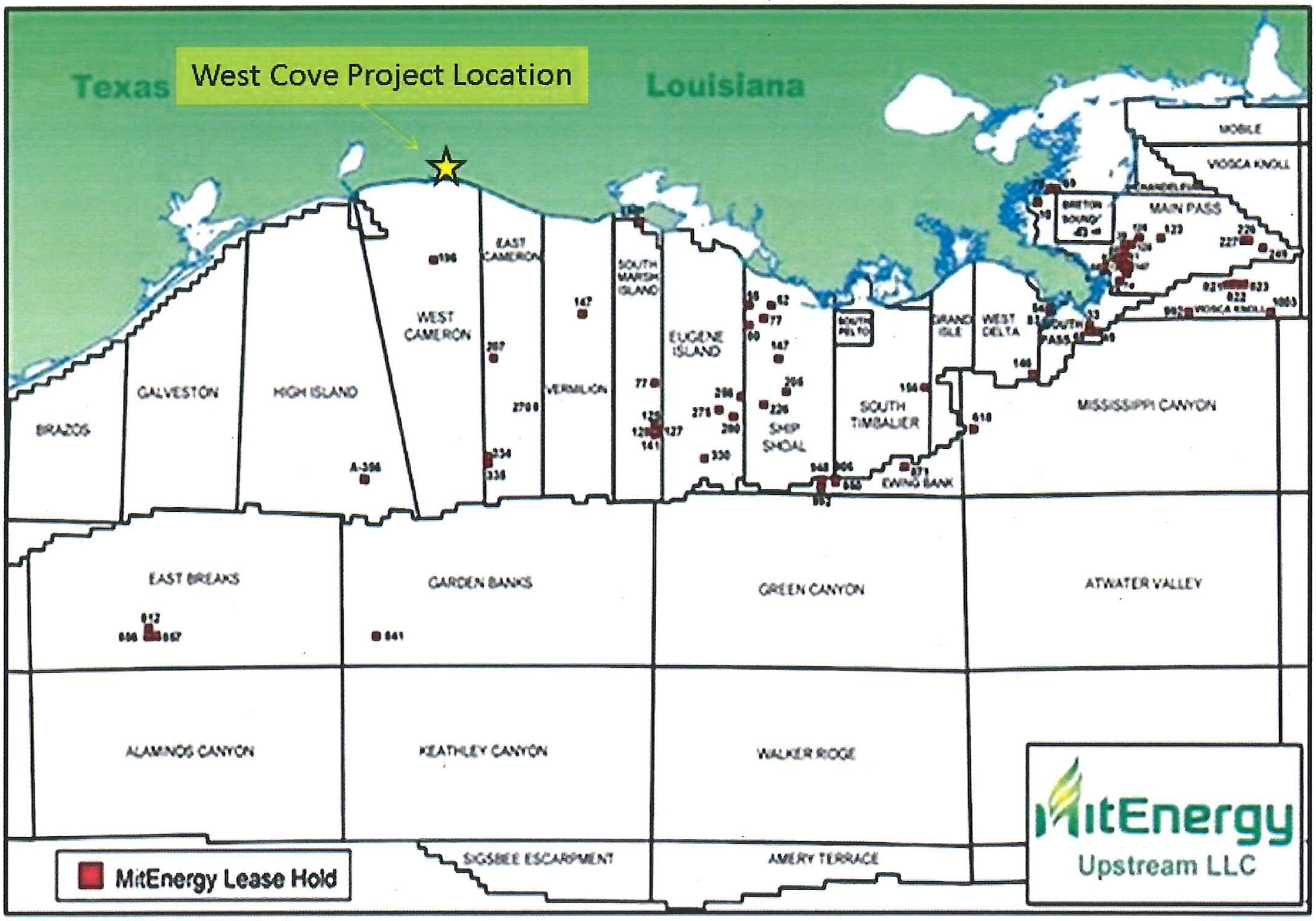
We propose to create 625 linear feet of oyster reefs along a priority stretch of eroding shoreline in the West Cove area. The reefs will be constructed using a proven, patented and innovative oyster reef technology that has been used across the Gulf to promote oyster growth, reduce shoreline retreat and provide habitat for important estuarine species. These oyster reefs will not only help protect eroding shoreline along public lands, but as oyster settlement and growth increases on the reefs they will produce larval oysters that have the potential to seed nearby cultch material and create additional habitat that attracts crab, shrimp and fish species. Finally, the natural reef processes will bolster the resiliency of the adjacent coastal habitats and may reduce the risk of adjacent communities to coastal hazards like storm surge.

Nexus to Potential Hydrocarbon Discharge: Most of the species that will reap the ecosystem benefits from this restoration project are those that would also likely be impacted if there were an accidental (or intentional) discharge from nearby oil and gas structures. For example, oysters are filter feeders and would involuntarily take in the polluted water as it moves closer to the coast. Coastal birds such as the American oystercatcher and other colonial waterbird and pelagic bird species would directly encounter or be exposed to potential hydrocarbon pollutants. Numerous recreational and commercial fish, shrimp and crab species spend their juvenile stages in the coastal marshes that will be protected and enhanced by the proposed project and move offshore (and near or through the potential spill site/area) for their adult life history stages.

Project Budget: Current project funds include $100,000 from US Fish and Wildlife Service leveraged with $100,000 from The Nature Conservancy.

Scalability: Planning efforts depict that as much as 32,000 linear feet of shoreline are in need of some form of shoreline protection. The initial 625 linear feet of work will protect the most sensitive section. Any additional funds for the project will allow the construction of additional linear feet of living oyster reef. For example, with an additional $200,000 of project dollars, potentially another 600 linear feet of shoreline of West Cove could be protected.

Partners: The Nature Conservancy, Louisiana Coastal Protection and Restoration Authority – Coast Wide Reference Monitoring System



West Cove Project Location
Texas
Louisiana
BRAZOS
GALVESTON
HIGH ISLAND
WEST CAMERON
EAST CAMERON
VERMILION
SOUTH MARSH ISLAND
EUGENE ISLAND
SHIP SHOAL
SOUTH PELTO
SOUTH TIMBALIER
GRAND ISLE
WEST DELTA
SOUTH PASS
MAIN PASS
MOBILE
VIOSCA KNOLL
BRETON SOUND
MISSISSIPPI CANYON
EWING BANK
EAST BREAKS
GARDEN BANKS
GREEN CANYON
ATWATER VALLEY
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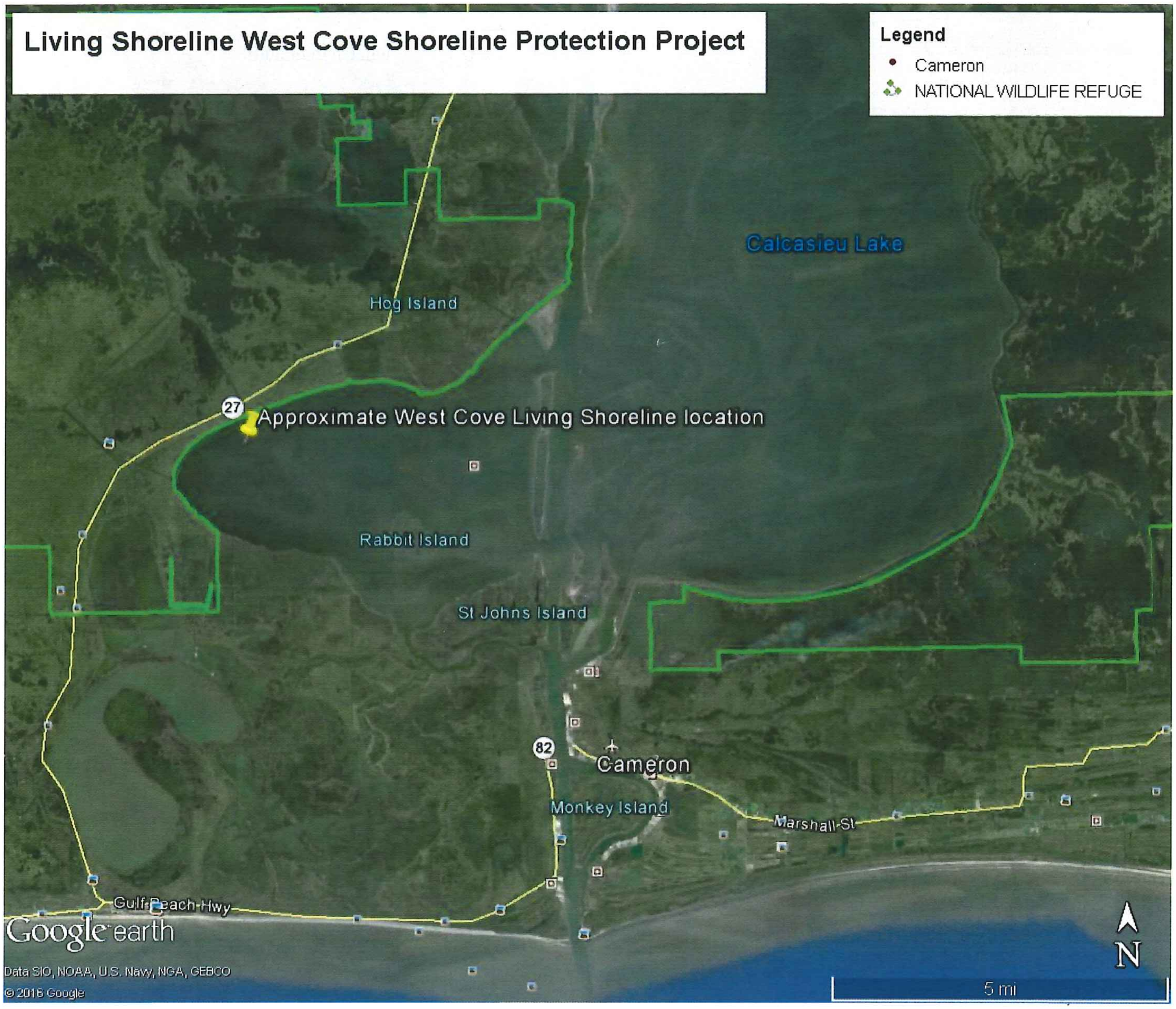
AMERY TERRACE
MitEnergy Lease Hold
MitEnergy
Upstream LLC


Living Shoreline West Cove Shoreline Protection Project
Legend
Cameron
NATIONAL WILDLIFE REFUGE
Calcasieu Lake
Hog Island
27
Approximate West Cove Living Shoreline location
Rabbit Island
St Johns Island
82
Cameron
Monkey Island
Marshall-St
Gulf-Beach-Hwy
Google earth
Data SIO, NOAA, U.S. Navy, NGA, GEBCO
© 2016 Google
N
5 mi

Attachment 2
West Cove Shoreline Protection
Sabine NWR / The Nature Conservancy
Legend
West_Cove_Shoreline_Protection
SNWR_Boundary
N
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Community Service Payment for Habitat Restoration within the Barataria-Terrebonne National Estuary

DESCRIPTION:
The community service payment will fund two projects that promote and restore bird habitat and to help the ornithological community and public better understand important life issues for many species of birds that use Louisiana wetlands. This two-part project includes (1) Bird Habitat Restoration and (2) VHF Telemetry Towers to Track Bird Activity

Project Background (1) Bird Habitat Restoration

Restoring habitat for birds that live in wetlands comes in many forms including planting woody plants important either as nesting habitat or foraging habitat for forest birds, promoting or restoring bare ground used by foraging or nesting shorebirds and seabirds, or in some cases, providing protected and appropriate artificial nest structures for yet other birds. In this instance, the BTNEP Program proposes to establish a Prothonotary Warbler Trail in the lower Barataria-Terrebonne Basin along waterways and in the swamps and bottomland forest near and around Amelia, LA.

The Prothonotary Warbler is an iconic swamp and bottomland hardwood forest bird species that is included on the U.S Fish and Wildlife Service list of Birds of Conservation Concern. The species population has declined by 42% between 1966 and 2014. Louisiana supports a full 25% of the species breeding population, but in the last 50 years the State's breeding population has dropped by 40%.

In order to understand and reverse these trends, efforts have been made to begin to establish a Prothonotary Warbler conservation and monitoring program within the BTNEP Program with the goal of promoting the conservation of and education about this species. This will be done by developing nest box trails that provide artificial structures across the landscape, assessing and monitoring demographic vital rates, identify connectivity between breeding and wintering grounds, and engage the public in helping with conservation efforts.

The Program will work with major landowners in the lower Terrebonne Basin to implement the nest box trails. At a minimum, two trails will be established at sites to be determined based on landowner interest.

This project includes the following tasks: develop access agreements if needed; develop maps of different holdings and define specific locations of the various trails including nest box placement; acquire wood products and ancillaries needed for the nest box trails; construct nest boxes; deploy nest boxes along the trails; monitor use and success of the nest box trails; develop final report on the use and success of the nest box trails.

Project Background (2) VHF Telemetry Towers to Track Bird Activity

Through a partnership between the BTNEP Program and the Louisiana Department of Wildlife and Fisheries, efforts are currently underway here in Louisiana to establish a passive array of VHF telemetry towers and receivers across the coastal area of the state. The development of this array promises to help the ornithological community and the public understand important life history issues for many species of birds. As the use of this technology grows and spreads throughout the Americas, passive arrays like the one being developed here become important components of independent efforts of some researchers and even more important for agencies looking at macroscale concerns of certain species. This new technology would move the ornithological community a step closer to the goal of full-life cycle monitoring and conservation. Determination of seasonality of movements, stopover sites, length of stopover, migratory routes, habitat utilization, foraging grounds, nesting sites, etc. will help conservation organizations more specifically target areas that may best recover imperiled species. A passive array of telemetry receivers in Louisiana can provide significant information regarding migratory birds.

Louisiana lies within important migration corridors for many species of birds. While some species fly no further south than Louisiana to spend their winters, others continue their journeys to Central and South America. Each year, hundreds of millions of birds fly through the state sometimes spending short periods here foraging and resting during migration only returning again in the spring on their way to more northern latitudes. Still, there are others that spend much of the year south in the tropics only returning to the northern gulf during the spring and summer to nest and fledge young. Because of Louisiana's position along important migratory routes, the development of this VHF telemetry array will become increasingly important to the conservation of North American birds and the research conducted by countless ornithologists in both hemispheres.

Specifically, for the BTNEP and LDWF partnership, this new technology will allow teams to further collective research goals, potentially allowing the tracking of hundreds of VHF transmitter tagged ("nanotagged") organisms at once provided those tagged organisms move through the approximately seven-mile detection radius of one of the proposed towers. The potential for such a network of towers to contribute to the current knowledge level concerning Louisiana's Species of Greatest Conservation need is substantial and is identified as a strategy for the conservation of land birds in the Louisiana Wildlife Action Plan (Lester et al. 2005: *In Prep 2015*).

This project includes the following tasks: acquire two telemetry/receiver components; acquire 10 nanotags; select sites and travel to erect VHF tower assemblies; travel to trap and deploy nanotags on specific species of bird(s); travel to collect data on daily movement, time spent provisioning for young, distance traveled provisioning for young, define habitat types used, etc; and develop final report on the use and success.

Rockefeller Wildlife Refuge Shoreline Protection/Oyster Restoration Proposal

The Rockefeller Wildlife Refuge is located along the coast of Cameron and Vermilion Parishes. When originally deeded to the state of Louisiana, the Refuge was approximately 86,000 acres. But 26.5 miles of the Refuge lies along the Gulf and is subject to such heavy erosion that it has lost 10,000 acres. Being at the southern end of the Mississippi River flyway, the Refuge has roughly 160,000 ducks overwinter there each year. It is also a very important area for thousands of other migrating and resident shorebirds, warblers and raptors that utilize the coastal marshes and live oak cheniers for forage and shelter.

Given the importance of this refuge to migrating birds and other wildlife, it is important to abate the land loss issues that threaten its habitats. One way to do this is by establishing oyster reefs along shorelines. The Refuge, managed by the Louisiana Department of Wildlife and Fisheries, possesses the proper salinity regime to establish oyster reefs along the shorelines of the waterways within its boundaries. In fact, a small reef was created there in 2007, and has survived and grown well since that time. Adding to these reefs would protect additional shoreline from erosional forces by helping to capture sediment and blocking wave energy. Plus, establishing oyster reef creates and restores a habitat type that maintains and renews itself over time, serves as both a refuge and feeding ground for a number of fish, shrimp and crabs, and because oyster feed by filtering water, act to maintain and improve water quality. All of these attributes amount to a net positive environmental impact for the coast and Refuge.

The Nature Conservancy would work directly with Refuge staff to determine a site that would be successful in creating an oyster reef and meet the most pressing protection needs of the Refuge. Then the requisite permits would be obtained and a contractor would be retained to transport reef building units to the site and install them along the shoreline. The Nature Conservancy has communicated with Refuge staff in the past and understands they are supportive of this type of project.

Should the Court find that fine monies from Wood Group PSN can be applied to this project, it would create a few hundred feet of oyster reef structures to protect the shoreline of the Refuge and create a valuable habitat.